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ABSTRACT

This policy statement for the National Association of Independent Colleges and Universities addresses student assistance, categorical/institutional assistance, tax policies, government regulation/self-regulation, and corporate and foundation policies. NAICU recommends to the Congress and the Administration a legislative amendment to Title IV of the Higher Education Act to establish a federal policy goal that every eligible student should receive sufficient aid under BEOG, SEOG, and SSIG programs so that the sum of these grant funds, in combination with a reasonable parental contribution and institutional and state matching grant funds, will constitute 75 percent of total student expenses. Suggestions are offered to serve and support achievement of this 75-percent federal policy goal. It is proposed that 25 percent of student expenses should be provided from self-help programs of work and loans. Recommendations to support achievement of the self-help policy goal are also offered. Proposals for assisting higher educational institutions in building and maintaining their capacity to meet the learning needs of increasingly diverse student populations are included. The need to reverse the trend of intrusive government regulation of higher education is advocated by means of legislative amendments to higher education legislation. (SW)

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SPECIAL REPORT
March, 1979

naicu news

naicu public policy statement for 1979

ED168454

The membership of the National Association of Independent Colleges and Universities, assembled at its 1979 Annual Meeting in Washington, D.C., adopted the following statement on public policy issues for 1979 at its concluding general session on February 6, 1979:

I. STUDENT ASSISTANCE

A. NAICU most warmly and enthusiastically commends the Congress and the Carter Administration -- and especially Senator Claiborne Pell, Congressman William Ford, and their respective staffs -- on the enactment of the Middle Income Student Assistance Act of 1978, together with its supporting appropriations for the 1979-80 school year, as a major step forward in the continuing effort to assure financial accessibility of all Americans to all of American higher education; and calls upon the Congress and the Administration to make certain that this historic legislation is fully funded again for the 1980-81 school year.

B. Looking ahead to the immediately upcoming reauthorization process, and the new higher education legislation which is expected to begin guiding federal student aid programs in the 1981-82 school year, NAICU again recommends to the Congress and the Administration a basic legislative amendment to Title IV of the Higher Education Act to establish a federal policy goal that every eligible student should receive sufficient aid under the BEOG, SEOG, and SSIG programs so that the sum of these grant funds -- in combination with a reasonable parental contribution and institutional and state matching grant funds -- will constitute 75 percent of total student expenses.

To serve and support achievement of this 75-percent federal policy goal, NAICU proposes that:

1. The basic standards for determining expected parental contributions for the Basic Grant program which were mandated in the 1978 student aid legislation should be maintained and extended for future years, with annual adjustments to reflect economic and social realities. The Uniform Methodology standards employed to determine such parental contributions for purposes of participation in other student aid programs also should be adjusted annually to reflect economic and social realities. And in both cases, serious consideration should be given to the possibility that all home equity assets be excluded from consideration in determining expected parental contributions;

2. The Basic Educational Opportunity Grant (BEOG) program should remain unchanged in all respects except gradually to raise the maximum award level from $1,800 to $2,400 over the six-year period from 1981-82 through 1986-87;

3. The overall "need" for supplemental grant funds should be defined legislatively as the difference between 75 percent of total student expenses and the sum of expected parental contributions plus Basic Grant awards;

4. Funding of the Supplemental Educational Opportunity Grant (SEOG) program should be required to equal at least twenty (20) percent of the appropriations for Basic Grants, and funding of the State Student Incentive Grant (SSIG) program should be

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required to equal at least five (5) percent of the appropriations for Basic Grants, so that the legislatively defined "need" for supplemental grant funds is addressed in a balanced manner on a continuing basis;

5. Amendments should be entered in the Supplemental Educational Opportunity Grants legislation (a) either to increase or remove the current limitations on maximum individual SEOG awards -- currently $1,500 a year and $4,000 aggregate, (b) clearly to authorize intrastate reallocations of unexpended SEOG fund balances carried over from the previous fiscal year, (c) to require the U.S. Office of Education to complete the reallocation of all such carry-over SEOG funds by December 15 of each succeeding year, and (d) to replace the outdated SEOG matching requirement with a dollar-for-dollar matching of SEOG awards with any combination of institutional grant funds and/or state scholarship and grant funds not used for SSIG matching purposes;

6. Amendments should be entered in the State Student Incentive Grant legislation (a) either to increase or remove the limitation on maximum individual SSIG awards -- currently $1,500 a year, and (b) annually to advance the base year upon which additional state expenditures are required to match federal SSIG allocations; and

7. Although federal SEOG and SSIG programs properly may specify these dollar-for-dollar matching requirements by institutions and/or states, the higher education legislation should prohibit regulatory actions that reduce eligibility for federal funding by virtue of institutional and/or state efforts that exceed federal matching requirements.

C. The converse of the 75-percent federal policy goal from grant sources is the policy goal that 25 percent of student expenses should be provided from "self-help" programs of work and loans -- recognizing that some form of laon assistance should remain available to replace expected parental contributions, over and above the 25-percent "self-help" expectation.

To serve and support achievement of the "self-help" policy goal, NAICU proposes that:

1. The College Work-Study (CWS) program gradually should be expanded to an authorized operating level of $960 million over the six-year period from 1981-82 through 1986-87, which -- taken together with the 20-percent matching funds supplied by institutional and off-campus employers -- would produce annual student earnings of at least $1.2 billion;

2. Amendments should be entered in the College Work-Study legislation to require the U.S. Office of Education to make authorized intrastate reallocations of all carry-over CWS fund balances from the previous fiscal year by December 15 of each succeeding year;

3. The National Direct Student Loan (NDSL) program should be renewed and extended for the six-year period from 1981-82 through 1986-87, including the provisions requiring minimum "threshold" funding support of the program;

4. The Guaranteed Student Loan (GSL) program legislation should be renewed without major changes for a five-to-six-year reauthorization period, so that (a) concentrated

effort may be given to administrative improvements, (b) states and institutions may fully comprehend and adjust to the program changes enacted in 1976, and (c) the program may be allowed to prove or disprove its ultimate worth in fulfilling its basic original mission of making loans generally and equally accessible to finance the expenses of middle-income students which cannot be covered by resources available through the other grant, work, and loan programs; and

5. Legislation also should be enacted to support a comprehensive student loan strategy which assures (a) the availability of loans to meet all legitimate student expenses unfunded by grants and work, (b) a vastly simplified system for delivering student loans, (c) a genuinely effective and systematic method of repayment of student loans to avert student default and bankruptcy, and (d) repayment patterns related in some manner to income.

It is essential that the states provide sufficient funds in their grant programs so that state appropriations, in combination with federal funds, will be sufficient to assure access to all of higher education for all students.

Student assistance programs continue to be the highest priority of NAICU's legislative program for the higher education reauthorizing cycle.

II. CATEGORICAL/INSTITUTIONAL ASSISTANCE

A. NAICU recognizes an indispensable need for some federal institutional support of higher education -- to balance and complement the primary federal focus on student assistance and tax policies that encourage charitable contributions -- especially categorical/institutional assistance which helps higher educational institutions in building and maintaining their capacity to meet the learning needs of increasingly diverse student populations which are gaining financial accessibility to their chosen higher educational study programs largely through the expansion of coverage provided by need-based federal student assistance.

B. To serve and support this indispensable need for "capacity-building" assistance, NAICU proposes that the currently-authorized categorical programs which support construction and renovation of academic facilities, student special services, developing institutions, community services, continuing education, and lifelong learning, should be coordinated -- together with the proposed urban university grant program -- in a comprehensive federal "capacity-building" initiative, with an overall authorization of $1 billion annually.

Specifically, NAICU proposes that:

1. The grant programs, including annual interest grants, to support construction and renovation of academic facilities, should be set at an authorization of $500 million annually, (a) to assure the continuing availability of classrooms, laboratories, libraries and other college and university facilities, and (b) to help higher educational institutions meet such federally-mandated requirements as energy conservation, occupational safety and health, and equal access for handicapped persons. Criteria for receipt of these funds should take care to avoid discrimination against small institutions in the awarding of these funds.

2. The student special services program should be expanded to an authorization of $200 million annually, and the subdivision into five separate categorical programs --

Talent Search, Upward Bound, Special Services to Disadvantaged Students, Educational Opportunity Centers, and Statewide Information Services -- should be replaced by a single program of grants to institutions to build and sustain their capacities to help disadvantaged students succeed in both entering and completing their chosen higher educational study programs.

3. The Developing Institutions program should be expanded to an authorization of $200 million annually, and (as suggested in USOE's recently-proposed regulations), the system of separate grants to basic and advanced developing institutions should be replaced by a single program of grants to eligible institutions. The new legislation should acknowledge the services and contributions being made by a wide variety of struggling higher educational institutions, including those serving high percentages of students receiving need-based federal assistance. And finally, the legislation should clearly define "developing institutions" in terms of institutional characteristics which bespeak their "developing" status, as well as their student population characteristics.

4. The HEA Title I legislation should be expanded to an authorization of $100 million annually, incorporating grants to urban universities along with grants to support community services, continuing education, and the development of lifelong learning opportunities.

5. Serious consideration should be given to the possibility of a legislative requirement that the U.S. Office of Education provide an integrated application form for use by higher educational institutions in applying for assistance under any or all of these categorical programs.

C. NAICU also pledges support for the leadership efforts of other organizations to maintain and extend such specialized programs as those supporting graduate education, international education, science education, library development, and activities of the Fund for the Improvement of Postsecondary Education and the National Endowments for the Arts and the Humanities.

III. TAX POLICIES

A. NAICU, conscious of the important bulwark in the maintenance of diversity and quality in independent higher education afforded by current tax policies and mindful of the negative impact of many past proposals, accords the highest priority to the maintenance of current rules relating to the deductibility of charitable contributions. Moreover, NAICU supports efforts to strengthen the principle of tax deductibility for charitable giving by extending the itemized deduction for charitable gifts to all taxpayers.

B. NAICU calls upon the Congress to recognize the differing economic structure of for-profit and nonprofit corporations, and carefully to consider the differing effects on each of these sectors in the development of legislation such as that aimed at improving the financial structure of the Social Security system.

C. With enactment of the Middle-Income Student Assistance Act, and its accompanying appropriations, needy middle-income students attending institutions of independent higher education are afforded greater relief than that which might have been provided by any of the major tuition tax credit proposals offered in the 95th Congress. NAICU's top

priority continues to be the expansion and refinement of student assistance programs. However, if Congressional passage of tuition tax credit legislation appears likely, NAICU again will endeavor to make certain that such legislation reflects sensitivity to both student need and the varying costs of attending institutions of higher education.

IV. GOVERNMENT REGULATION/SELF-REGULATION

A. Developments during the last year clearly indicate that, although high-ranking federal officials have warned of its dangers and pledged to do something about it, the tide of intrusive government regulation is running stronger than ever in higher education. We, therefore, again call attention to the statement adopted on this subject at our 1978 Annual Meeting, which reads as follows:

> While recognizing the need for higher education leadership and governmental initiatives to achieve urgent social purposes, NAICU also believes that legislation to expand and refine federal higher education programs must be placed in the context of a determined, cooperative effort by the Congress and the Administration to reverse the tide of government regulation which threatens to engulf American higher education, and thereby threatens to destroy the integrity, freedom, and diversity of American higher education generally, and independent higher education in particular. Under Section 432 of the General Education Provisions Act of 1970 (GEPA), as amended, the federal government is bound by the following commitment: "No provisions of any applicable program shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision or control over the curriculum, program of instruction, administration, or personnel of any educational institution." NAICU believes this fundamental statutory protection against government intrusion upon the internal administration of institutions of higher education must be maintained and enforced with regard to all federal legislation affecting higher education. To prevent violations of this principle by employees of the United States, NAICU proposes that Section 432 of the GEPA, and other federal laws as appropriate, be strengthened by amendments that will (1) explicitly match differing levels of governmental regulation and control with differing types and amounts of governmental assistance, and (2) provide specific remedies for violation of statutory protections against federal intrusion upon the internal administration of higher education institutions.

B. NAICU believes that the basic statutory protection set forth in GEPA Section 432 should be incorporated in the new higher education legislation, together with accompanying language to make it clear that this protection against government intrusion upon the internal administration of higher educational institutions must and will take precedence over other requirements of federal law.

To buttress this fundamental protection, NAICU proposes that further legislative amendments should be entered in the new higher education legislation:

1. To strengthen and reinforce current statutory prohibitions against the imposition of final rules and regulations on higher educational institutions without proper

and adequate responsiveness to public comments made on Notices of Proposed Rulemaking (NPRM's), rather than just the recording of such comments;

2. To strengthen the "due process" guarantees against the regulators' presumption of guilt on the part of higher educational institutions;

3. To provide reimbursement of costs in legal cases where higher educational institutions are vindicated; and

4. To provide for Congressional review of all rules and regulations applied to higher education institutions, on a biennial basis, to certify their accurate reflection of Congressional legislative intent.

C. The broad national offensive to deregulate higher education reflects a matter of deep concern to the members of NAICU. In that regard, we urge that current initiatives to create a cabinet Department of Education be pursued in such a way that any authorizing statute (1) provide explicit and strong inhibitions against centralized planning and control of American education; (2) assure adequate distinctions in the structure of the proposed department between policies and programs for higher education and those affecting elementary and secondary education; and (3) be sensitive to the values of the pluralism and diversity of higher education.

D. NAICU calls upon the higher educaion community, and its representive national and state associations, to accelerate the movement toward development of self-regulation initiatives -- with a primary focus on specific and tangible issues such as tuition refund policies, student expense budgets, and admissions and recruitment practices -- to resolve those issues and, in the process, establish a credible basis for asserting that self-regulation really can succeed in effectively addressing public policy concerns which otherwise invite government regulation.

V. CORPORATE AND FOUNDATION POLICIES

A. NAICU recognizes that the most important single part of the public policy equation with which independent higher education must be concerned lies outside the realm of government, in the public policies of private-sector corporations and foundations; that rising private-sector support of higher education is required to prevent excessive dependency on governmental support; and that a continuing balance between private and governmental support is the only sure and lasting guarantee of our freedom and independence from governmental controls.

B. NAICU calls for a truly major and widespread commitment of corporate and foundation funds to support basic research, and to correct the trend toward total domination of this field by the federal government. In addition, NAICU calls on the corporate and foundation community to recognize and support the auditable indirect costs, as well as the direct costs, of all projects which are located at higher educational institutions, and to broaden and deepen the base of private-sector support with increasing reliance on unrestricted grants to higher educational institutions instead of project grants.

In addition, the NAICU membership also adopted the following separate resolution at the 1979 Annual Meeting:

WHEREAS, the formula used in the past by the Department of Housing and Urban Development to rate institutions applying for new construction loans under the College Housing Program has intentionally and admittedly discriminated against small institutions; and

WHEREAS, the net effect of the current formula has been to limit severely the percentage of independent, traditionally black, and women's institutions which can qualify for college housing loans; and

WHEREAS, the Secretary of HUD is proposing, in regulations for the 1979 Program, to reserve 40% of the total funds for new construction under the College Housing Program for institutions with enrollments less than 5,000;

NOW, THEREFORE, be it resolved that NAICU commend the Secretary of HUD and the Director of the College Housing Program for their proposal to make the Program fair and equitable to all sizes and types of institutions; and

BE IT FURTHER RESOLVED, that NAICU and its member institutions support the Secretary's proposal to reserve 40% of new construction funds for institutions with enrollments under 5,000 when the proposed regulations for 1979 are published in The Federal Register.

With the exception of the comprehensive loan strategy outlined in section I-C-5, which requires considerably more work before specific legislative proposals are offered, all of the proposals contained in sections I, II, and IV of the NAICU Public Policy Statement for 1979 have been translated into draft legislative language and submitted to Representative Ford (D-MI), Chairman of the House Subcommittee on Postsecondary Education.

At the same time, these draft legislative proposals also have been submitted to Senator Claiborne Pell (D-RI), Chairman of the Senate Subcommittee on Education, Arts, and the Humanities, to the offices of all other members of the House and Senate subcommittees, to various legislative policy offices within the executive branch, and to the offices of other major higher education associations in Washington, D.C.

The next step will be to broaden and deepen awareness of the NAICU legislative proposals throughout the membership and staff of the full House and Senate committees -- as shown on the next page -- relying primarily upon direct contacts by NAICU member presidents from each Congressman's home state, supplemented with contacts by NAICU Board members, executive and elected heads of NAICU member associations, and NAICU staff.

These are, of course, only the first steps in the lengthy reauthorization process which promises to command relentless effort over the next year and a half -- a process in which all Members of Congress will command our attention, whether or not they are members of the education authorizing committees.

We are underway with a coordinated legislative effort which holds enormous promise for the future health and vitality of independent higher education. We have a solid legislative program to offer for consideration by the Congress, and a strong organization to encourage favorable action by the Congress.

John Phillips, NAICU President

96th CONGRESS

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